FBIS DAILY REPORT CONTENTS

Latin America

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BOLIVIA

Government Announces Austerity Measures, Calls for Sacrifice C 1
Peso Devaluation C 1
Fuel Price Hike C 1
Gueiler Statement C 1
Dissolution of National Democratic Alliance Announced C 2

BRAZIL

President Figueiredo Stoned During Florianopolis Visit D 1
Presidential Spokesman Gives Details D 1
President Figueiredo Comments D 1
'Political Relaxation To Continue' D 1
Itamaraty: Azeredo Johns Hopkins Speech Gave Personal Views D 2
[JORNAL DO BRAZIL 30 Nov]
Briefs: Alcohol Miniplants; Alcohol for Turbines D 2

CHILE

Foreign Ministry 'Studying' U.S. Aid Cutback E 1
Cubillos Assails U.S. Decision E 1
Foreign Ministry Publishes First Issue of Magazine E 2
Army Officer Denies Worldwide Antisubversion Plan E 2

MEXICO

Iraqi Minister Accuses Iran of Trying To Start War M 1
Parties, Papers Approve Decision Barring Shah's Return M 1
National Action Party Opposes Exclusion of Shah M 2
PEMEX To Uphold Oil Contracts Despite Market Changes M 2
Briefs: Beef Sale, Export; Agreement With India M 2

CENTRAL AMERICA

COSTA RICA

Court Accepts Writ in Favor of Panamanian Exile Crocamo P 1
Illegal Nicaraguan Immigrants Captured P 1
Minister Voices Interest in Cultural Exchange With Ecuador P 1
Radio Station Scores Assembly Approval of 1980 Budget P 1
Sugar Expert Cites Country's 'Worrisome' Situation P 2

EL SALVADOR

FPL Claims Responsibility for Kidnaping; Negotiations Continue P 3
Junta Members Express Regret P 3
South Africa To Negotiate Release P 3
Junta Promises To Save Ambassador P 4

Archbishop Romero Offers To Mediate P 4
FPL Claims Credit for Kidnaping P 5
Negotiations for Release Growing Difficult P 5
Communique Issued on Junta Members' Visit to Costa Rica P 6
[LA PRENSA GRAFICA 22 Nov]
Unity, Integration Stressed in Communique With Guatemala P 7
[LA PRENSA GRAFICA 26 Nov]
Armed Forces Permanent Council Backs Ruling Junta P 8

NICARAGUA

Army Officers Welcomed in United States P 9
U.S. Promises To Return Aircraft Taken by Somozists P 9
Joint Declaration Signed With Salvadoran Junta P 9
Speculations Increase on 'Cooling' in Relations With Panama P 11
[LA PRENSA 27 Nov]
Exchange of Ambassadors With Honduras To Take Place P 11
Various Sectors Support Bonus Decree; Protests Continue P 11
Christmas Bonuses Confiscated P 12
CGTI Leader Supports Decree P 13
COP Supports Decree P 13
Sandinists Explain Reasons for Decree P 14
Somozist Refugees Leave Spanish Embassy for Madrid P 14
Offices To Be Opened To Receive Evidence Against Somozists P 15
Briefs: U.S. Medical Aid P 15

CUBA

Cuba Reportedly Seeking Solution to Iranian Crisis [Paris] Q 1
Fidel Castro Speaks at Opening of Santa Clara Textile Plant Q 1
Description of Event Q 1
Castro Speech Q 2

CARIBBEAN

BAHAMAS

External Affairs Minister Denies Saying Shah Unwelcome S 1

JAMAICA

Prime Minister Manley Calls Seaga 'Liar, Traitor' S 1
[DAILY GLEANER 27 Nov]
JLP Answers Manley's Charges [DAILY GLEANER 28 Nov] S 2

GOVERNMENT ANNOUNCES AUSTERITY MEASURES, CALLS FOR SACRIFICE

Peso Devaluation

PY301231 Buenos Aires LATIN in Spanish 0300 GMT 30 Nov 79 PY

[Text] La Paz, 29 Nov (LATIN)--The Bolivian Government tonight announced a 25-percent devaluation of the peso and an increase in fuel prices. The official announcement went against the position of the Bolivian Labor Central (COB), the foremost labor organization of the country, which resisted both measures. Interim President Lidia Gueiler is now facing strong opposition from the working class.

Fuel Price Hike

PY302000 Paris AFP in Spanish 1851 GMT 30 Nov 79 PY

[Text] La Paz, 30 Nov (AFP)--The Bolivian Government raised the price of fuels 32 percent today, increasing the lowest-priced gasoline to 3.50 Bolivian pesos per liter ($0.14). The highest price for premium gasoline will be 8 pesos per liter ($0.30). The fuel prices in the border areas with Argentina and Brazil will be higher in order to fight the current smuggling of Bolivian fuels to those two neighboring countries.

Bolivia produces 24,000 barrels of oil daily and is self-sufficient in oil, but its current export of hydrocarbons is minimal except for natural gas. The fuel price increase is part of the "economic package" approved by the constitutional government today which also includes a 24-percent devaluation of the currency in relation of the U.S. dollar.

Gueiler Statement

PY010121 Buenos Aires LATIN in Spanish 1954 GMT 30 Nov 79 PY

[By Rene Villegas]

[Text] La Paz, 30 Nov (LATIN)--Interim President Lidia Gueiler today asked the people to make sacrifices in view of the "heroic" measures adopted by her government as a result of the serious economic crisis affecting the country.

The working class today rejected the devaluation of the currency, the rise of fuel prices and other measures adopted early this morning by the economic team of the chief of state.

"To govern is not only to exchange ideas, study plans and discuss objectives. To govern is, above all, to have the power of decision. It is I who have to face the crisis, and I am not afraid to do it because I am complying with my duties," said the chief of state this afternoon when she stated that it is an obligation "to overcome this very serious national crisis."

Early this morning the government devalued the Bolivian peso by 25 percent and ordered fuel price increases, facing the opposition to the so-called "economic package." Bolivia today experienced a confusing post-devaluation day in the midst of labor protests, the closing of financial and commercial enterprises and automatic increases in the tariffs for public transportation.

Mrs Gueiler today suspended the state subsidy on fuel, creating an immediate rise in the price of gasoline, and public transportation was virtually paralyzed in this capital of 700,000 people. Union leaders charged that the transportation sector increased its tariffs today by 208 percent as a result of the official economic measures.

The government ordered a price freeze for basic foods, rents, transportation and public services, but union leaders said that the devaluation effect was immediate.

Mrs Gueiler today promised a wage increase to the working class in proportion to their income but warned that what the country needs to do is to make "sacrifices."

The COB ordered today the mobilization of its grassroots to protest the official measures, which were labeled as "proimperalist, antilabor and capitalist."

Mrs Gueiler's economic team will be questioned by the Chamber of Deputies next Monday. The chamber rejected the official economic policy, despite the explanations given by Finance Minister Augusto Cuadros last Wednesday.

DISSOLUTION OF NATIONAL DEMOCRATIC ALLIANCE ANNOUNCED

PY301555 La Paz Radio Cruz del Sur Network in Spanish 2330 GMT 29 Nov 79 PY

[Text] Jaime Tapia Alipaz has officially announced that the National Democratic Alliance [ADN], led by Gen Hugo Banzer Suarez, has decided to dissolve. The initial announcement was made in the Chamber of Deputies session this afternoon. Spokesman Tapia Alipaz stated:

[Begin recording] Gen Hugo Banzer Suarez, who has been chief of the front until today, has publicly stated the reasons. Consequently, the Bolivian Socialist Falange, the Democratic Nationalist Action, the Barrientist Revolutionary Alliance and Ruben Julio's Nationalist Revolutionary Movement, which until now have acted jointly and in solidarity, each assume their independence and recover their own political identity. Thank you. [end recording]

In a later short interview with Cruz del Sur, Tapia Alipaz added further details, stating that the decision was reached because the parties believed that the alliance had fulfilled its objective that the front had participated in the election and that the next elections involve a new situation which will allow the formation of new political fronts. The deputy, who has represented the ADN in Congress until now, also said:

[Begin recording] Well, the ADN had an electoral character. This situation now belongs to the past, and we are now facing a new political situation in the country which will demand a new alinement of forces. It has been found suitable and has been agreed between us and Gen Hugo Banzer Suarez to leave the political parties which were the members of this alliance free to build up forces of an ideological nature. It is probable that we who until now have been members of the alliance will again unite in a new political pattern. There are no fundamental reasons separating us, but the members have (?shown) an attitude which I highly appreciate, the same one shown by General Banzer himself as chief of the alliance, that of leaving the parties free to [words indistinct] they believe to be suitable in order to more useful instruments at the service of the nation. [end recording]

PRESIDENT FIGUEIREDO STONED DURING FLORIANOPOLIS VISIT

PY301830 Paris AFP in Spanish 1820 GMT 30 Nov 79 PY

[Text] Sao Paulo, 30 Nov (AFP)--The press agency of the newspaper O ESTADO DE SAO PAULO reported here that Brazilian President Joao Figueiredo was stoned today in Florianopolis, in southern Brazil, as he was giving a speech to the population. Radio station Jovem Pan also reported the incident, indicating that several persons had been arrested by the police. Neither the press agency nor the radio indicated whether the Brazilian chief of state was hit by the stones.

Presidential Spokesman Gives Details

PY011234 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 1 Dec 79 PY

[Relay from Brasilia by Carlos Rodrigues]

[Text] Presidential spokesman Otavio Bonfim will now speak to Radio Bandeirantes about the incidents which took place in Florianopolis today [as heard] during President Figueiredo's visit.

[Begin Bonfim recording] What happened is that organized groups attempted to disrupt the presidential visit to the capital of Santa Catarina State. In addition to carrying aggressive signs opposing him, they shouted obscene words at the president who, however, continued with his official schedule. When the president left the state government palace and went to a cafe--as he usually does in every place he visits--the demonstrators attempted to move toward him but were stopped by police and security personnel. They threw some objects, but no member of the presidential entourage or demonstrator was hurt. On the contrary, as far as we know, the people themselves rejected the demonstration, which was deliberately organized to jeopardize the presidential visit. [end recording]

President Figueiredo Comments

PY010114 Brasilia Domestic Service in Portuguese 2200 GMT 30 Nov 79 PY

[Excerpt] Speaking during a ceremony held at the Santa Catarina electric central today, President Joao Baptista Figueiredo made reference to the incident which occurred in front of the Cruz de Souza Palace earlier. The president said: I recognize the right of those who dissent, struggle or oppose now as I always did. Nobody can point his finger to even a gesture throughout my lifetime which was not intended to defend the voice of those who disagree. In my public speeches or in my private talks with ministries, I have repeated over and over again that defending that voice is the price to be paid for the country's democratization. However, it is one thing to disagree, protest, oppose, hold different views, and something else to resort to personal offense.

'Political Relaxation To Continue'

PY011754 Buenos Aires LATIN in Spanish 1417 GMT 1 Dec 79 PY

[Excerpts] Brasilia, 1 Dec (LATIN)--Government sources stated today that political relaxation will continue in Brazil despite the incident in Florianopolis yesterday involving President Figueiredo, who was booed and stoned.

The newspaper JORNAL DO BRASIL reported that the president, "visibly irritated, brcke his own security ring and engaged in a fistfight with some of the demonstrators."

A group of congressmen of the dissolved Brazilian Democratic Movement issued a note regretting the above incidents, pointing out the "delicate situation," and noting that public men and chiefs of state are exposed--because of their positions--to popular reactions of either displeasure or praise." The note says the attitude of the demonstrators reveals "the existence of deep social crisis" and "rampant inflation" in Brazil.

For its part, the Brazilian Labor Party (PTB) states in a communique that "the sinister arm of rightwing radicals may be behind these demonstrations."

ITAMARATY: AZEREDO JOHNS HOPKINS SPEECH GAVE PERSONAL VIEWS

PY010156 Rio de Janeiro JORNAL DO BRASIL in Portuguese 30 Nov 79 p 6 PY

[Text] Brasilia--Itamaraty's spokesman Bernardo Pericas explained yesterday that not all points in the speech made by Ambassador Azeredo da Silveira at Johns Hopkins University in Washington reflect Itamaraty's official positions.

Pericas said: "In that speech the ambassador spoke his own mind, severely criticizing the United States the same way he had done to a group of Bank of Brazil managers at a meeting held in Brasilia when Azeredo da Silveira was foreign minister of the Geisel government."

According to Pericas' explanation, the speech of the former foreign minister was not previously submitted to Itamaraty because of a privilege given to ambassadors in important posts, such as Washington, where they are frequently asked to participate in conferences or seminars on international questions.

Pericas explained that the former foreign minister made the accusations in a speech delivered on a university campus, "a fact which is entirely different from making accusations directly to Secretary of State Cyrus Vance in a special audience."

BRIEFS

ALCOHOL MINIPLANTS--For the purpose of encouraging the participation of small producers of organic material in the national alcohol program, the agriculture minister has ordered the installation of five small distilleries with a production capacity of 2,000 liters per day at the cost of 1.5 million cruzeiros each. The miniplants will operate in state-owned farms to serve as showpieces of their technical and economic viability. [Brasilia Domestic Service in Portuguese 2200 GMT 28 Nov 79 PY]

ALCOHOL FOR TURBINES--The Mines and Energy Ministry and ELETROBRAS will sign this week a contract for the development of a special project setting up a unit for production of hydrated alcohol to drive turbine engines, thus substituting fuel oil. [Brasilia Domestic Service in Portuguese 2200 GMT 28 Nov 79 PY]

FOREIGN MINISTRY 'STUDYING' U.S. AID CUTBACK

PY301950 Paris AFP in Spanish 1927 GMT 30 Nov 79 PY

[Text] Santiago, Chile, 30 Nov (AFP)--It was reported that the Chilean Foreign Ministry is studying an answer to the U.S. decision to scale down its relations with Chile. The State Department reported in Washington that the measure will also affect economic and military aid to Chile.

Although Foreign Minister Hernan Cubillos declined today to issue a statement on this decision, his aides are preparing an official communique which will be delivered after 1800 local time (2100 GMT), diplomatic sources indicated. The U.S. Embassy here is also studying a formal declaration which will be revealed late today, according to U.S. Embassy officials. U.S. Ambassador George Walter Landau has been in Washington since 10 October 1979, when he was recalled for consultation by the White House.

Cubillos Assails U.S. Decision

PY010051 Santiago Chile Domestic Service in Spanish 2300 GMT 30 Nov 79 PY

[Text] Chilean Foreign Minister Hernan Cubillos today answered the U.S. decision to punish Chile. In a declaration read at 1915, the foreign minister charged the United States with returning to imperialistic methods.

The declaration read by Minister Hernan Cubillos has eight items as follows:

1. This protracted episode is now resulting in the announced measures against Chile. The objective of all these measures is contrary to the principles of international law and all of them merely constitute a return to old methods of U.S. imperialism in Latin America.

2. The Chilean Government does not plan to engage in polemics regarding the legal aspects of this issue. All of them were fully discussed by our supreme court, whose final and unanimous ruling has given rise to this belated reaction of a government which does not seem to understand the meaning of an independent, professional and serious judicial branch.

The executive branch has done everything within its powers according to current legislation. It is therefore intolerable that the U.S. Government--which up to a short time ago was one of the parties involved in the extradition suit--should appoint itself the only judge on the merits of its demands.

3. The United States, first through pressure and now through these measures, has unsuccessfully tried to make our government interfere with the powers of the supreme court. Nothing good can be said about a government which is applying illegal pressure to override a court ruling. Its efforts to punish are (?useless). This is the aggressive and bullying behavior of a government acting with violence and unfairness against a materially smaller country [words indistinct].

4. In view of the unfavorable court ruling, the United States is now trying to disguise (?its failure) by charging our country with accepting an act of international terrorism.

The degree of confusion within the Government of the United States leads it to the extreme of comparing this incident with the tragic events in Iran. Public opinion is now free to draw its own conclusions.

5. The Chilean Government indignantly rejects the charge of condoning terrorism. On the contrary, far from condoning it, it effectively struggles against it all levels. U.S. charges in this regard clearly evidence their own futility and fallacy.

6. The measures announced against Chile merely confirm the attitude which President Carter's administration has been showing toward us for some time now. Chile will endure these pressures because it is a politically strong, economically healthy and militarily safe country.

7. This unfortunate affair shows that the U.S. Government does not understand that Chile is a sovereign country.

8. We recently publicly declared our friendship and solidarity with the American people regarding the Iranian events caused by the U.S. administation's refusal to extradite the shah. We wish to reiterate these feelings and hope that these actions will not harm the deep-rooted interests of peoples whose destiny is to understand each other. We trust that when the United States applies its will to solve its true problems and stops distracting itself by intimidating small countries, commonsense will return to its foreign policy.

FOREIGN MINISTRY PUBLISHES FIRST ISSUE OF MAGAZINE

PY010124 Santiago Chile Domestic Service in Spanish 2300 GMT 30 Nov 79 PY

[Text] A new magazine for distribution abroad aimed at showing Chilean reality has been published by the Chilean Foreign Ministry. This announcement was made by Foreign Minister Hernan Cubillos upon presentation of the first issue of the magazine CHILE AHORA. The first issue was publised in Spanish, English and French. It will be distributed both in Chile and abroad. The country's representatives will thus have a medium for showing the country's current status.

The foreign minister emphasized that the ministry has made efforts to increase the flow of information concerning the country's status quo. He said that this [magazine] will be the Foreign Ministry's contribution to the material which is sent abroad every month through the post office. It is a contribution to the efforts which the government is making to disseminate information concerning what is being done within the country. He announced that the Foreign Ministry will publish a number of books on Chile and produce a number of films as well.

ARMY OFFICER DENIES WORLDWIDE ANTISUBVERSION PLAN

PY291418 Paris AFP in Spanish 0325 GMT 29 Nov 79 PY

[Text] Santiago, 28 Nov (AFP)--The deputy commander in chief of the Chilean Army, Lt Gen Carlos Forestier, today denied the existence of a worldwide policy against subversion. In this regard, Forestier stated: "There is no plan to combat subversion on the continent, consequently there has been no implementation of such a plan in Chile."

The deputy commander in chief of the army referred in these terms to an agreement allegedly reached during the last conference of American armies--held at the beginning of this month in Bogota, Colombia--to wage a joint struggle to disperse guerrilla groups operating in the hemisphere. Forestier added: "I can assure you that the Chilean authorities have adopted precautionary measures to prevent terrorist groups, which consist merely of regular delinquents who threaten the security and tranquility of the people, from attemtping to carry out this type of activity."

IRAQI MINISTER ACCUSES IRAN OF TRYING TO START WAR

PA010415 Paris AFP in Spanish 0315 GMT 1 Dec 79 PA

[Text] Mexico City, 30 Nov (AFP)--The occupation of the U.S. Embassy in Tehran and the holding of hostages constitutes a provocation by sectors close to Ayatollah Khomeyni's government which are interested in unleashing a war, Iraqi Minister of State Burhan Ad-Din 'Abd ar-Rahman affirmed here today. The minister, a member of his country's Revolution Command Council, arrived in Mexico to participate in a conference on the independence of Puerto Rico, sponsored by the World Peace Council.

At the local international airport, he added that the promoters of the embassy's occupation, who are responsible for the current international crisis, are groups allied to the United States, [as received] who have infiltrated the Iranian Government. The minister affirmed, nonetheless, that in case of a U.S. military intervention, that country would have to confront the entire Islamic community. In Iraq, we want the current crisis to be resolved peacefully. Otherwise, we should participate, he concluded.

PARTIES, PAPERS APPROVE DECISION BARRING SHAH'S RETURN

PA302344 Buenos Aires LATIN in Spanish 2137 GMT 30 Nov 79 PA

[Text] Mexico City, 30 Nov (LATIN)--Mexico's political parties and opposition papers today approved the government's decision not to let the deposed shah of Iran return. Spokesmen of the Popular Socialist Party [PPS], the National Action Party, the Mexican Communist Party and the Workers Socialist Party have termed the government's decision "wise and prudent." According to PSP leader Jorge Cruickshank Garcia, it is wrong to grant asylum to a "criminal and an assassin." The center-leftwing paper UNO MAS UNO wrote that Mexico traditionally respects the right to political asylum, but that in the case of the shah, Mexico would have seen itself involved in "labyrinthine politics that go beyond national interests and violate those of other nations."

Foreign Minister Jorge Castaneda said last night the renewal of the 6-month tourist visa granted to the shah in June is contrary to Mexico's interests and that, therefore, there is no point in the shah's return. In a declaration, Castaneda denounced the capture of hostages inside the U.S. Embassy in Tehran as a means of demanding the shah's extradition. The Mexican Government strongly condemns this development as a flagrant violation of diplomatic immunity, one of the oldest and most respected international rules, even in times of war, the document stated.

Castaneda explained that when Mexico granted a visa to the shah 6 months ago, it did so "in keeping with our country's old and respectable tradition of receiving all who seek Mexican hospitality, regardless of their ideologies." But the situation has changed radically since then and the world is in crisis, he added. According to Castaneda, the shah himself is one of the central elements of the crisis.

The Iranian Embassy in Mexico today published a (?note) in the English paper THE NEWS stating that "all of the deposed shah of Iran's investments throughout the world are illegal and the money used in these cases belongs to the Iranian nation." It adds the Revolutionary Government of Iran is taking "the necessary steps to present the case to the national and international authorities to have the money returned to the Iranian people to whom it justly belongs."

Iranian Charge d'Affaires Manouchehr Kazemi recently noted the shah had invested a lot of money in Mexico.

NATIONAL ACTION PARTY OPPOSES EXCLUSION OF SHAH

PA020352 Paris AFP in Spanish 1740 GMT 1 Dec 79 PA

[Text] Mexico City, 1 Dec (AFP)--The Mexican Government's decision to refuse to allow the former shah of Iran, Mohamad Reza Pahlevi, to enter the country runs contrary to human rights, the only political party to oppose the measure said today.

In maintaining that Mexico should not deny the former Iranian monarch the right to enter the country, the rightist National Action Party (PAN) said a person's degree of criminality does not affect his right to life. However, this position found no support among other political groups, all of which supported the government's decision to deny the shah the right to reside in Mexico.

In general, the press had sarcastic headlines regarding Washington's reaction to the Mexican decision. They said: "Carter Remained Cold"; "U.S. Tried To Send Us the Former Shah and Mexico Showed Sovereignty" and "Let the U.S. Do Whatever It Wants With the Former Shah."

The newspapers also supported the government's decision in editorials. In general, they said it is a profoundly nationalistic measure that demonstrates the country's independence in reaching its own decisions.

PEMEX TO UPHOLD OIL CONTRACTS DESPITE MARKET CHANGES

PA301404 Madrid EFE in Spanish 0313 GMT 30 Nov 79 PA

[Text] Mexico City, 29 Nov (EFE)--The price of Mexican oil will remain $24.60 a barrel regardless of international market speculation, state-owned Mexican Petroleum (PEMEX) reported here today. PEMEX noted that the $45-a-barrel hike in Ecuadorean crude does not mean the price of Mexican oil should increase.

It added that deliveries to the United States, Israel and Spain will remain at the contract price of $24.60 a barrel. However, it reported that on 1 January a new price will go into effect. It reiterated that agreements with clients will be upheld despite fluctuations in the market.

PEMEX said it recently made a "test" sale of 300,000 barrels of crude to Japan with a view to signing a possible long term contract in 1980. In addition to Japan, Brazil, France and Yugoslavia will begin purchasing Mexican oil next year.

BRIEFS

BEEF SALE, EXPORT--The Mexican national staple goods company and the National Cattlemen's Confederation will sign an agreement today for the slaughter of 30,000 lean head of cattle from the states affected by the drought. Sixty-five percent of them will be for domestic consumption and the rest will be exported to Japan. [Mexico City International Service in Spanish 2245 GMT 28 Nov 79 PA]

AGREEMENT WITH INDIA--Following a meeting between President Lopez Portillo and the Indian petroleum and industry minister, it was agreed to cooperate in the areas of fertilizers, capital goods and the sale to India of a small amount of petroleum beginning next year. [Mexico City International Service in Spanish 2245 GMT 28 Nov 79 PA]

COSTA RICA

COURT ACCEPTS WRIT IN FAVOR OF PANAMANIAN EXILE CROCAMO

PA010211 Panama City Domestic Service in Spanish 2230 GMT 30 Nov 79 PA

[Text] The Costa Rican Supreme Court has accepted a writ of habeas corpus in favor of Panamanian Abraham Crocamo. The Supreme Court accepted the writ of habeas corpus filed by the legal representative of the Free Costa Rican Movement. Crocamo, a Panamanian National Guard deserter, is currently a spokesman in Costa Rica of the so-called Panamanian Nationalist Front. He was also involved in recent activities to overthrow the government of President Royo. Gilberto Alfaro Alfaro, Crocamo's lawyer, said his legal actions are aimed at obtaining guarantees for his client's right to freedom of movement. Crocamo has stayed in his residence in a San Jose neighborhood during the past few days. The Panamanian Government has requested Crocamo's extradition. The request is being studied by a Costa Rican court.

ILLEGAL NICARAGUAN IMMIGRANTS CAPTURED

PA010200 Panama City ACAN in Spanish 1848 GMT 29 Nov 79 PA

[Text] San Jose, 29 Nov (ACAN-EFE)--Costa Rica's rural guardsmen have captured 23 Nicaraguans who entered this country illegally through the Zapote River area, Upala Canton, near the Nicaraguan border. These persons were arrested because none of them carried the necessary documents. The Nicaraguans, who apparently planned to work in the border area plantations, were turned over to the Public Security Ministry's immigration office.

MINISTER VOICES INTEREST IN CULTURAL EXCHANGE WITH ECUADOR

PA020235 San Jose Radio Reloj in Spanish 0100 GMT 2 Dec 79 PA

[Text] The Costa Rican culture minister has met with the foreign minister of Ecuador. Marina Volio de Trejos, minister of culture, youth and sports, said today that our country is interested in negotiating cultural exchange agreements with Ecuador. Volio de Trejos is visiting Ecuador to observe the social communications program of the fund for the development of neglected rural areas, which is sponsored by the Central Bank. In this regard, she said Costa Rica will consider instituting a similar plan beginning next year.

RADIO STATION SCORES ASSEMBLY APPROVAL OF 1980 BUDGET

PA302250 San Jose Radio Reloj in Spanish 1730 GMT 30 Nov 79 PA

[Unattributed commentary]

[Text] The approval of the 1980 general budget has been an act of irresponsibility and legislative disrespect. The deputies, including the communists, have demonstrated a complete lack of seriousness in the negotiation of such an important matter. The country's future was at stake and the future has been committed to disaster. The country's dignity was at stake and the outlook for the next few months is dark. A deficit budget [presupuesto desfinanciado] is not a budget. A budget that cannot be met is a waste of time in absurd debates. A budget full of general regulations is an insult to the country.

We hereby protest the way in which the national budget was finally approved. It would have been better to reapprove this year's budget which, although bad--short of funds and full of general regulations--had already been implemented. [as heard] We should not have been led to an extreme like this.

The Unity Party will have to respond to the public for breaking its promises and political pacts with the country. The Unity Party, and not only Carazo, had promised to carry out a government program. It has not kept this promise and now, with this budget, this party has thrown all its campaign promises down the drain.

The National Liberation Party also has the historic responsibility of accounting for its actions to the voters. It committed itself to the approval of more taxes, certain appropriations and a deficit budget. Our country's disaster can also be blamed on the National Liberation Party. It should have maintained a national spirit of compromise but not have lent itself to a political farce by trying to implement the government program which is a big lie. Public expenditures have not been controlled. On the contrary the government keeps committing itself to more squandering of the public funds. How far are we going, gentlemen?

SUGAR EXPERT CITES COUNTRY'S 'WORRISOME' SITUATION

PA301543 San Jose Radio Reloj in Spanish 1200 GMT 30 Nov 79 PA

[Text] Juan Jose Flores, executive secretary of the Sugarcane Industrial League, has told our reporters that the situation in that sector is worrisome. He said our country is threatened with the possibility of becoming a sugar importer. He explained that sugar is the fourth most important source of foreign exchange for Costa Rica. He added that if drastic measures are not taken soon we will be facing a serious economic problem. He recommended a boost in production, better technology and an improvement in government policy. He said one of the problems is the high cost of supplies. The price of fertilizer is too high and the cost of [words indistinct]. In addition, he said the prices of rice and sugar were equal in 1932. Now, however, rice is more expensive.

Flores said Costa Rica may stop exporting sugar within 5 years and become a sugar importer within 7 years. The 86,000 metric tons currently exported yield 155 million colones in foreign exchange. The problem stems from the fact that there are no incentives for the production of sugarcane. In addition, local consumption is excessive. He said each Costa Rican consumes 60 kg of sugar (?annually). He said sugar production is constant but that consumption is growing considerably. This means that 70 percent of the production is for local consumption and the remainder is exported. Costa Ricans consumed 124,000 tons of sugar during 1979 and will consume 130,000 tons in 1980, he added.

Asked if there is enough land to grow sugarcane to avoid having to import it, he said there is enough land and there is no reason not to do so. [Words indistinct] and technicians could be trained. He added that people must be made aware of the problem, and the government should adopt the necessary measures to increase sugarcane production.

Flores reported that current international sugar prices are very good. He said they have been increasing for the past 18 months and further increases have been predicted. For this reason, Costa Rica must produce enough sugar to meet its quota and take advantage of the good international prices. Costa Rica exports its sugar to the United States where it receives preferential treatment regarding import tariffs.

Flores said the International Sugar Organization will set new export quotas in London in March. He noted that the quotas will be based on the production capacity of each country and on the amount of foreign exchange each country gets from that product. The quotas also depend upon international demand and sugar production. Costa Rica's quota for this year is 105,000 tons. If it is not met it could be reduced.

EL SALVADOR

FPL CLAIMS RESPONSIBILITY FOR KIDNAPING; NEGOTIATIONS CONTINUE

Junta Members Express Regret

PA301955 Paris AFP in Spanish 1729 GMT 29 Nov 79 PA

[Excerpt] San Salvador, 29 Nov (AFP)--The Salvadoran junta members expressed regret at the South African ambassador's kidnaping here yesterday during a brief statement at the capital city airport shortly before leaving for UN headquarters in New York.

Ambassador Archibald Dunn's kidnaping is a regrettable incident, Col Jaime Adoul Gutierrez said, while another junta member, Guillermo Ungo, said kidnaping is a common occurrence in democratic countries because some people abuse their freedom. Salvadoran Foreign Minister Hector Dada Hirezi said the kidnaping may well be a provocation by extreme leftwing groups who perhaps do not think they are playing into the hands of the extreme right.

The three officials left for New York this morning to appear before the UN General Assembly on Friday. The trip was regarded here as evidence of the determination to keep on the course set by the revolutionary government that seized power on 15 October after toppling Gen Carlos Humberto Romero. An economic delegation led by Mario Andino will go to Washington on Monday to meet heads of international credit organizations.

Peruvian Ambassador Adelmo Risi, deputy dean of the diplomatic corps in San Salvador, told AFP that the ambassadors accredited to El Salvador requested an urgent meeting with the revolutionary junta to discuss security measures to protect them. Risi said they met with Foreign Minister Dada a few hours after the South African ambassador was kidnaped. The ambassadors were then given assurances that the Salvadoran Government will make all possible efforts to insure Dunn's safety. The diplomatic corps has called a standing session, and Risi announced that they will meet at the apostolic nuncio's office today to discuss the situation.

Foreign Minister Dada reiterated that just because El Salvador broke diplomatic relations with South Africa does not mean Ambassador Dunn's rights and immunity will be ignored.

South Africa To Negotiate Release

PA301344 Paris AFP in Spanish 0157 GMT 30 Nov 79 PA

[Text] San Salvador, 29 Nov (AFP)--Relatives of South Africa's ambassador to El Salvador, Archibald Dunn, who was kidnaped in this city, said here today that South Africa is willing to negotiate the release of its ambassador. Dunn's relatives also said the ambassador is of almost no value to his kidnapers now that El Salvador and South Africa have severed relations.

One of Dunn's sons, 32-year-old Robin, employed by a foreign commercial firm, said his family is concerned about the effect the kidnaping will have on Daphne Dunn, wife of the diplomat. She is now recuperating in a hospital in San Jose, California.

The diplomatic corps in El Salvador called a meeting for tomorrow at the apostolic nuncio's office to analyze Dunn's kidnaping and issue a communique on the matter. Meanwhile, Salvadoran police continue to investigate the kidnaping. Dunn's son is awaiting contact with the kidnapers in order to begin negotiations.

Meanwhile, Manuel Ungo, a member of the Salvadoran Government junta, will speak at the United Nations tomorrow to present El Salvador's new foreign policy. He will probably explain his country's reasons for severing relations with South Africa.

Junta Promises To Save Ambassador

PA012310 Buenos Aires LATIN in Spanish 1939 GMT 1 Dec 79 PA

[Text] San Salvador, 1 Dec (LATIN)--Msgr Emanuele Gerada, dean of the local diplomatic corps and apostolic nuncio before the Government of El Salvador, said today that the revolutionary government junta will take all necessary measures to save the life of South African Ambassador Archibald Gardner Dunn, who was kidnaped on Wednesday.

Monsignor Gerada added that on Monday the chiefs of the diplomatic missions accredited here will meet with the Salvadoran ministers of foreign relations and defense to discuss the present situation and the security measures being taken to protect the diplomatic corps. Monsignor Gerada and the diplomatic mission chiefs met today with members of the revolutionary government. Meanwhile, a high-ranking South African Government official being sent to discuss the case is expected to arrive here.

So far, none of the extremist organizations operating in El Salvador has claimed credit for the kidnaping. Robin Gardner Dunn, the 31-year-old son of the ambassador, has offered to join his father in captivity because, he claims, his father is in poor health. The ambassador's wife, Daphne, is seriously ill in a hospital in Valencia, California. Two of the diplomat's other children, Margot and Hugh, live in San Jose, California.

Sources close to the Dunn family have expressed doubt regarding the authenticity of statements attributed to Robin by local newspapers and a Costa Rican Radio station in which he reportedly said that in anonymous telephone calls uniforms, combat boots, the release of political prisoners and money had been demanded as ransom for his father.

Archbishop Romero Offers To Mediate

PA020111 Paris AFP in English 0101 GMT 2 Dec 79 PA

[Text] San Salvador, Dec 2 (AFP)--The top religious leader in this Central American republic, Archbishop Oscar Romero, offered Saturday to mediate with presumed guerrillas who have kidnaped South African Ambassador Archibald Dunn. Archbishop Romero called on the kidnapers to free Mr Dunn at once, condemning their action as a "new crime against human dignity" which could not be justified whatever its ends. There was still no word from the kidnapers, leading observers to speculate that they had made complete secrecy a condition of any negotiations.

South African Embassy sources denied any negotiations had begun, and said the arrival of a special government envoy from Pretoria was being awaited over the weekend.

Police dismissed as hoaxes a number of anonymous phone calls from supposed kidnapers of Mr Dunn, who was seized last Wednesday by a dozen or more armed persons.

Mr Dunn's family have noted that since El Salvador broke off diplomatic relations with South Africa the day before the kidnaping--though this was not announced publicly until a few hours after the seizure--Mr Dunn is no longer of any value to his captors. The Salvadoran Government, which says it broke the links as part of its new policy of promoting respect for human rights, has stressed, however, that the break will not affect its efforts to free him.

The demands of the kidnapers are so far unknown, but observers speculated that they might include a call for the extradition from abroad of former Presidents Carlos Romero and Arturo Molina to stand trial for human rights violations in recent years.

The government has condemned the kidnaping as leaving the situation open to exploitation by the extreme left and extreme right.

FPL Claims Credit for Kidnaping

PA020243 Paris AFP in Spanish 0222 GMT 2 Dec 79 PA

[Text] San Salvador, 1 Dec (AFP)--The clandestine self-styled Farabundo Marti Popular Liberation Forces (FPL) today claimed credit for the kidnaping of South African Ambassador Archibald Gardner Dunn, which occurred on Wednesday in this capital.

In a lengthy communique sent to local papers, the FPL admits the kidnaping and conditions Dunn's release to the payment of an undisclosed sum of money to be negotiated with his family and to a number of internal and external political measures that must be carried out by the Salvadoran Government. The measures include: severing relations with Israel, Chile and Argentina and recognizing Asian governments struggling for their sovereignty, and the PLO. The FPL also demands political prisoners be released and that former Presidents Arturo Armando Molina, Carlos Humberto Romero and the military chiefs who collaborated with them be tried.

Negotiations for Release Growing Difficult

PA022252 Paris AFP in Spanish 1905 GMT 2 Dec 79 PA

[Excerpts] San Salvador, 2 Dec (AFP)--Diplomatic circles here today believe negotiations with the Farabundo Marti Popular Liberation Forces (FPL) for the release of South African Ambassador Archibald Dunn, who was kidnaped 4 days ago, could become difficult because their demands involve two governments that have severed relations. South African Government envoy Johannes Volschenk arrived in San Salvador last night to take charge of negotiations with the FPL to obtain the release of the ambassador.

The FPL is asking the new Salvadoran Government to recognize the Palestine Liberation Organization whose leader, Yasir 'Arafat, will visit Latin America in a few days. In addition, in its note claiming responsibility for the kidnaping of the ambassador, the FPL expressed solidarity with the struggle of the people of Zimbabwe and the other South African countries under the racist domination of the South African Government and its apartheid policy.

Also, the FPL terms "demagogic" the Salvadoran Government's break in diplomatic relations with South Africa, calling it an attempt to divert international attention, although it has some positive aspects, they said. The FPL did not establish a deadline for compliance with their demands, but there is pessimism in some circles because it is not clear whose responsibility it is to negotiate the release of Dunn. On one hand, the South African Government and the relatives of the ambassador are determined to negotiate on their own. But on the other hand the FPL has set down demands that involve two governments that have broken relations.

The FPL is also holding Jaime Battle, a wealthy Salvadoran coffee grower who was kidnaped 2 months ago and whose relatives have said they cannot pay the ransom demanded by the leftist group. The exact amount is unknown, but it is believed to consist of supplying 3,000 olive-drab uniforms and 3,000 pairs of combat boots.

COMMUNIQUE ISSUED ON JUNTA MEMBERS' VISIT TO COSTA RICA

PA302347 San Salvador LA PRENSA GRAFICA in Spanish 22 Nov 79 pp 3, 26 PA

[Official communique issued by the Salvadoran Foreign Affairs Ministry on talks held by Salvadoran junta representatives and Costa Rican President Rodrigo Carazo during official visit to Costa Rica]

[Text] On 20 November Messrs Mario Antonio Andino, Jaime Abdul Gutierrez and Guillermo Manuel Ungo, members of the Salvadoran revolutionary government junta, accompanied by Salvadoran Foreign Affairs Minister Hector Dada Hirezi and Economic Integration Under Secretary Oscar Menjivar, paid an official visit to Costa Rican President Rodrigo Carazo Odio and held wide-ranging talks with him and members of his cabinet. As a result of these talks, it was agreed to issue the following press communique summarizing the main points discussed by them.

The Salvadoran junta members broadly outlined the revolutionary junta's postulates, which, with regard to domestic affairs, specifically involve fostering a serious democratization process within a framework of ideological pluralism and utmost respect for human rights as well as actively promoting development through profound changes in the country's socioeconomic structure, fulfilling a commitment to make social justice a reality in El Salvador.

The members of the revolutionary government junta said their accession to power under the right of insurrection is legitimate because the previous government had systematically violated human rights, had promoted and tolerated wrongdoing and its inability to govern had led the country to political and economic chaos and a total disruption of legal order.

They also referred to their aims concerning Central American relations, which consist of fostering the cause of peace, integration and democratization in the area.

The Costa Rican president expressed his sincere and deep satisfaction over the objectives contained in the political platform of the Salvadoran revolutionary junta, which are shared by the Costa Rican Government, emphasizing his favorable attitude toward the democratization path undertaken by El Salvador.

The heads of state reviewed the current situation in the area and agreed on the need to remove all sources of disagreement to lay the groundwork required to constantly strengthen relations among Central American countries at all levels and to continue cooperation measures to promote economic and social development.

They reiterated their determination to join efforts with other countries in the area to quickly revitalize all mechanisms of the Central American Integration System, with particular emphasis on the adoption of a new, basic instrument to regulate the political, economic and social fields. They also express full support for the region's international bodies, such as the Organization of Central American States, the Secretariat of Central American Economic Integration and the Central American Bank of Economic Integration.

They emphatically indicated that integration and the development of the isthmus have been negatively affected by the current situation in the area which has been characterized by a disruption of inter-Central American relations. They particularly noted the problem of transporting goods which must be sent through expensive alternate routes, causing delays and a decrease in trade. All of this harms the legitimate interests of the Central American peoples.

They stressed their desire to hold consultations with other governments of the region regarding technical and political plans to coordinate common Central American positions in Latin American and international forums as well as to try to achieve an opening or an increase in the exports to markets of industrialized countries.

Such coordination should include an energy policy, the exploitation of sea resources and the defense of interests in the face of the price lists of the shipping conference.

Besides the aforementioned specific subjects, they discussed the following: The international importance of the Costa Rican project for the university of peace which is of particular interest to Central America and which has been cosponsored by the current Salvadoran Government in the United Nations; the new political view established at the ninth ordinary session of the OAS General Assembly regarding a new OAS outlook based on the spirit of the "La Paz declaration."

They expressed their firm support of the cause in favor of the full respect of human rights. In this regard, they reiterated their commitment to help strengthen the institutions created in international bodies regarding this subject both in the OAS and in the United Nations. The high-ranking Salvadoran officials also expressed their full satisfaction in having the headquarters of the Interamerican Human Rights court in San Jose.

The revolutionary government junta expressed its sincere thanks to the Costa Rican Government for being the first to recognize the current Salvadoran Government.

San Jose, 20 November 1979.

UNITY, INTEGRATION STRESSED IN COMMUNIQUE WITH GUATEMALA

PA021510 San Salvador LA PRENSA GRAFICA in Spanish 26 Nov 79 pp 3, 36, 38 PA

[Report of LA PRENSA GRAFICA special correspondent Adrian Roberto Aldana]

[Text] Meeting in Guatemala City on 24 November 1979, Guatemalan President Gen Fernando Romeo Lucas Garcia and Salvadoran revolutionary government junta members Col Adolfo Arnoldo Majano, Mario Antonio Andino and Roman Mayorga Quiros, agreed to release the following communique.

They reaffirm their intention to maintain and stimulate the fraternal relations that exist between both peoples and governments, which are firmly based on a common origin, language, and interests and on their aspiration to reconstruct the greaterfatherland.

They agree on a policy of cultivating and expanding cooperation and solidarity with the peoples and governments of the states that comprise the Federation of Central America.

They regard as necessary for harmony and peace in the area the unalterable observance of the principle of nonintervention in the affairs of other states and the respect for the other principles regulating the international community.

They agree that the fundamental purpose of their government is to continue promoting the development of their respective peoples and to contribute to the efforts that governments of the sister republics in the area are making to this end.

They reaffirm their conviction the Central American integration program continues to be the most important alternative for achieving beneficial conditions, eliminating external dependence and consolidating their position in defense of their common interests in the international arena. Within this context they offered their total and firm support for strengthening the various Central American integration organizations. They also considered the importance of having the Central American integration system expand its relations with the other integration systems in Latin America, as part of continental solidarity and cooperation.

They express their satisfaction over Central America's presence at the first inter-american conference on renewable energy resources, slated to be held in New Orleans, Louisiana, United States of America, from 25 to 29 November of this year. The area's viewpoints on this vital problem affecting the world, and particularly our developing countries, will be aired at this event.

They agree on the need to formulate common isthmus policies of energy, agricultural and livestock products, transport and other issues of interest for the peoples in the area.

They point to the free movement of workers as a relevant aspect of their bilateral relations.

The Guatemalan president recalled that in July of this year his government announced the "declaration of Central American brotherhood," which in accordance with article No 6 of the constitution of the republic, establishes the principle by which "citizens by birth of the other republics that constitute the federation of Central America are also regarded as natural Guatemalans if they acquire residence in Guatemala and notify the competent authority of their desire to be Guatemalan. In this case they will also be able to maintain their original nationality." The gentlemen rulers of the revolutionary junta of the government acknowledged with satisfaction the noble concepts contained in the above-mentioned declaration.

They manifest their decision to establish joint diplomatic and consular missions in those countries or areas where it might be convenient to their interests.

The Guatemalan Government expresses its satisfaction over the desire manifested by the illustrious Salvadoran revolutionary government junta to reestablish relations with the sister republic of Honduras as soon as possible and expresses its sincere hope that these two countries, united by geography and history, will soon achieve the cordial rapprochement of their peoples.

The Salvadoran rulers explained in detail the armed forces proclamation outlining the bases and purposes of the new Salvadoran authorities. They also thoroughly explained the reasons that led to the change of government. As their political postulates they mentioned administrative honesty, the promotion of a genuine democratic process, respect for human rights and the promotion of economic and social development through structural changes in Salvadoran society. The Guatemalan president listened to this explanation with the greatest satisfaction and expressed the best wishes of the Guatemalan Government and people in connection with the Salvadoran Government's generous aspirations.

ARMED FORCES PERMANENT COUNCIL BACKS RULING JUNTA

PA021808 Panama City ACAN in Spanish 1651 GMT 2 Dec 79 PA

[Text] San Salvador, 2 Dec (ACAN-EFE)--The Permanent Council of the Salvadoran Armed Forces fully supported today the policy of change of the ruling revolutionary junta that toppled Gen Carlos Humberto Romero on 15 October. The organization, comprising representatives of all army branches, said it fully agrees with the social change program of Col Adolfo Arnoldo Majano, Col Jaime Abdul Gutierrez and civilians Guillermo Manuel Ungo, Mario Antonio Andino and Roman Mayorga Quiros. Capt Oswaldo Marenco, spokesman for the Permanent Council, publicly stated that changes are necessary. He voiced disagreement with the violent means used by what he called the "extreme left minority." He also voiced disagreement with the "extreme rightwing minority because it is conservative."

NICARAGUA

ARMY OFFICERS WELCOMED IN UNITED STATES

PA301251 Panama City ACAN in Spanish 1943 GMT 29 Nov 79 PA

[Text] Managua, 29 Nov (ACAN-EFE)--U.S. Army officers "treated correctly" Nicaraguan Army officers who recently visited North America, Humberto Ortega Saavedra, Sandinist armed forces commander in chief, said here today. He explained that Nicaragua sent a military delegation at the invitation of the U.S. Army to visit military bases in that country. The Nicaraguan delegation was headed by chief of staff, Commander Joaquin Cuadra Lacayo. The Nicaraguan Army officers received a "warm welcome" from the U.S. officers.

The U.S. Army says Nicaragua owes $2 million that was granted to the Anastasio Somoza regime. Ortega said the debt was being studied together with a series of documents the United States presented to them referring to aid offered to the Somoza regime that was not used. The Nicaraguan Government will decide if it can use any of this aid.

Ortega said Nicaragua will not spend a cent on weapons. However, if the United States wants to donate military supplies to Nicaragua, "they will be welcomed. The commander said the U.S. officers still cannot understand how a poorly-equipped peoples army defeated a numerous, well-equipped army "created" by them. The Nicaraguan officers informed their U.S. colleagues that it was because "the Sandinists defended a just cause."

U.S. PROMISES TO RETURN AIRCRAFT TAKEN BY SOMOZISTS

PA301250 Panama City ACAN in Spanish 1958 GMT 29 Nov 79 PA

[Text] Managua, 29 Nov (ACAN-EFE)--Nicaraguan Army Commander in Chief Humberto Saavedra said today that the United States has promised to return airplanes and helicopters belonging to the Nicaraguan Government.

U.S. Ambassador to Nicaragua Lawrence Pezzullo has already made an official statement on the return of these aircraft which were taken to the United States by Somozist army officers following the downfall of the previous regime. The ambassador added that the aircraft have been located in the United States.

Ortega Saavedra said five or six aircraft are involved. Nicaragua is claiming the aircraft because it needs them for transportation. "Negotiations for the return of the aircraft are being conducted through the Foreign Ministry. The planes' transfer depends on the speed with which the United States processes the claim. At times the U.S. delays processing and at other times it hastens it. Let us hope the claim will be processed rapidly, the commander said.

JOINT DECLARATION SIGNED WITH SALVADORAN JUNTA

PA231423 Buenos Aires LATIN in Spanish 0225 GMT 23 Nov 79 PA

[By Agustin Fuentes]

[Text] Managua, 22 Nov (LATIN)--In a joint declaration, the Nicaraguan and Salvadoran government juntas tonight promised to carry out revolutionary processes in their respective countries involving the "deep transformation of economic, social and political structures." The declaration was signed by three members of the Salvadoran civilian-military government junta and three members of the Nicaraguan national reconstruction junta after several hours of talks in Managua.

Col Adolfo Majano, Guillermo Manuel Ungo and Roman Mayorga Quiros, members of the Salvadoran junta, arrived here shortly before noon and returned to El Salvador tonight after reading the text of the declaration and holding a press conference at the Augusto Cesar Sandino Airport in Managua.

The three members of the Nicaraguan junta who signed the declaration were Cmdr Daniel Ortega, Sergio Ramirez and Moises Hassan.

Shortly before reading the declaration, Colonel Majano said that the Sandinist revolution in Nicaragua is "admired by all the peoples of Central America, Latin America and the world." He indicated that the Salvadoran armed forces have begun a revolutionary process "maintaining close ties with all the Salvadoran people."

In the declaration the leaders of the two countries proclaimed their right to maintain relations with all countries and peoples of the world, particularly those which support the struggles of their respective peoples.

They expressed their "rejection of foreign interference which encroaches on our sovereignty and the interests of our peoples, the recognition of the principles of nonalinement, and support of the Third World countries' efforts to establish a new international economic order and achieve a better treatment in economic relations."

They also condemned "the irresponsible attitude of groups in Central America which are trying to cause artificial conflicts and attack the new Nicaragua." Nicaragua recently charged that Honduran militarymen who support the Somozists are trying to provoke conflicts between Nicaragua and Honduras.

They also "recognized that the principle of nonintervetion in the affairs of other states is essential and they proclaimed that neither the Salvadoran nor Nicaraguan territory will ever serve as a base for an attack on the other fraternal country and that the maintenance of the existing fraternal ties will be a permanent policy."

They also announced that they will try to change "the unjust mechanisms of the Central American economic integration within a process which will benefit the popular sectors."

In conclusion, they indicated that "they agree in acknowledging ideological pluralism and popular participation as basic principles needed to bring about revolutionary change in both countries."

At the news conference Colonel Majano announced, as a gesture of friendship toward the Nicaraguan Government and people, that El Salvador will return within 15 days all the ships, planes, vehicles and weapons the Somozist guardsmen took with them to El Salvador when they escaped shortly before the Sandinist victory of 19 July.

He added that in El Salvador there is "a new political orientation that will totally change the country's internal policy." He also said that "both civilians and the military are determined to bring about a number of profound changes in the country's social, political and economic structures which were creating social tensions." The armed forces," he stressed, "fully support this process."

Asked about the Salvadoran Government's stand "on the attack on the Nicaraguan revolutionary process by Honduran sectors," the Salvadoran junta members responded that "those opposing the revolutionary process in El Salvador harm the revolutionary process in Nicaragua and vice versa; that which seeks to prejudice or destabilize the revolutionary process in Nicaragua also prejudices the process in El Salvador." "We have common interests with the Nicaraguan Government and we also believe we have common enemies," they added. According to them, in order to expand the Salvadoran revolutionary process, they have had to remove several military officers who opposed it. According to them, in order to expand the Salvadoran revolutionary process, they have had to remove several military officers who opposed it.

They said that they have the support of certain Salvadoran progressive sectors and are maintaining contacts with other progressive forces "in order to bring about the profound changes our country needs." They explained that they also have the support of "committed businessmen" and that talks in connection with several specific projects have been held at the presidential house with those progressive business sectors and with unionists.

They said that they will implement a complete agrarian reform in El Salvador and will soon announce reforms to the financial and foreign trade systems. They explained that within the framework of the agrarian reform, they will substantially modify the land-holding structures that allow a minority to maintain great economic and political influence in El Salvador. "We will take away the privileges of those who are privileged" Colonel Majana said in conclusion.

SPECULATIONS INCREASE ON 'COOLING' IN RELATIONS WITH PANAMA

PA020339 Managua LA PRENSA in Spanish 27 Nov 79 p 3 PA

[Text] The change of the Panamanian ambassador has led to increased speculation by diplomatic and political circles regarding a significant cooling in relations between Panama and Nicaragua. These circles believe that Ambassador Salamin asked his government to relieve him because he did not find the fraternal climate that he expected in Nicaragua.

It has been noted that the cooler relations are not the result of merely political but rather a matter of sensitivity. It was believed that following the Sandinist triumph Panama would have considerable influence in state agencies and in training the army. However, the efforts of other nations that have provided significant cooperation have obscured the image of Panama, which was greatly highlighted before the insurrection and during the June war that ended the dictatorship.

Panama played a very important role in the Nicaraguan people's war of liberation. Ambassador Salamin was the first ambassador to present his credentials. He did so on 20 July, the day following the victory, before the smoke of war had even cleared. Subsequently, Panama had influence only in training the police force.

Baltazar Aizpuru, who replaces Salamin as chief of the Panamanian diplomatic mission, presented his credentials on Friday.

On the other hand, the Junta of the Government of National Reconstruction, in view of the speculation, has said relations with Panama remain as deep and fraternal as always and emphasized its recognition of the Panamanian contribution.

It was learned unofficially that both the government junta and the leadership of the Sandinist National Liberation Front are preparing a program designed to demonstrate to Panama that the Nicaraguan authorities and people will always be close to the Panamanian Government and people.

EXCHANGE OF AMBASSADORS WITH HONDURAS TO TAKE PLACE

PA301308 Paris AFP in Spanish 0215 GMT 30 Nov 79 PA

[Excerpts] Managua, 29 Nov (AFP)--In an attempt to end the tension between the two countries which brought them to the verge of breaking relations, Nicaragua and Honduras again decided to exchange ambassadors. An agreement to this effect was reached by Honduran Foreign Minister Eliseo Perez and Nicaraguan Foreign Ministry Secretary for Central American Affairs Manuel Andara, who visited Tegucigalpa recently.

This rapprochement between the two countries has taken place even though there are still problems pending in their bilateral relations. Honduran authorities charged today that Sandinist patrols had again violated Honduran territory and that a clash had occurred in a border sector known as El Horno. Sandinist army Commander in Chief Humberto Ortega rejected an insinuation by the Honduran foreign minister that the 1,300 Cuban teachers and technicians who have arrived in Nicaragua are really soldiers in disguise. Anyone can talk to the Cubans and realize they are really teachers and technicians, he emphasized. What is happening, the Sandinist commander concluded, is that Nicaragua is undergoing a just process which is similar to other just processes. Here he made a clear allusion to the Cuban revolution.

VARIOUS SECTORS SUPPORT BONUS DECREE; PROTESTS CONTINUE

Christmas Bonuses Confiscated

PA010225 Paris AFP in Spanish 0132 GMT 1 Dec 79 PA

[By Horacio Ruiz]

[Text] Managua, 30 Nov (AFP)--Pressured by an economic situation which it described as critical, the Nicaraguan Government junta today issued its first unpopular decree in its 4 and 1/2 months of government by confiscating a percentage of the Christmas bonuses of thousands of employees. The decision generated a wave of protest among those who were waiting for the bonuses in early December to resolve economic problems created by the war in June and July. The cut in the special Christmas wages led to strikes in certain private and government enterprises in several parts of Managua.

Former President Anastasio Somoza established this special payment in 1978 in an attempt to pacify the people who were supporting a general strike called by the opposition and joining the guerrillas. It was also a means of reprisal against private companies which supported the strike.

The Sandinist government described the 13th month payment as demagogic from the start and had said payment of it would be impossible this year in the government sector, since it represented the expenditure of $120 million.

Today's decree states that a maximum of $150 will be paid as 13th month wages, with the rest going to the state. The Sandinist government will deposit the money collected in a special fund to combat the very high unemployment rate which has existed in the country since the beginning of the civil war. Sergio Ramirez, a member of the Nicaraguan junta, said the government will receive a considerable sum of money from this measure. The newspaper LA PRENSA said it will have to pay $57,000 as its share of the deductions from the 13th month payments.

The junta admitted the decree is unpopular and could be used as a weapon against the Sandinist government. However, it added that the money will be used to help the unemployed who presently total 34 percent in the Managua area. By 1980 during the so-called dead time after the harvest is completed, it is estimated that unemployment could climb to 45 percent throughout the country. More pessimistic estimates set the figure at up to 60 percent. A member of the junta, who has not yet been appointed, will head the plan to combat unemployment. The plan includes the construction of a road network around Managua which will hopefully employ thousands. The junta also admitted that between February and May the high level of unemployment could be an open invitation to the enemies of the revolution to try to create problems, particularly in the rural areas.

The junta's measure led to meetings of hundreds of employees at various worksites this morning. At many such places workers demanded the decree be reconsidered. Business leaders, concerned about reduced sales, considered the decision a heavy blow, since they hoped that Christmas sales would help them recover from the crisis created by the war.

CGTI Leader Supports Decree

PA011609 Managua Domestic Service in Spanish 0330 GMT 1 Dec 79 PA

[Interview with Alejandro Solorzano, secretary general of the General Confederation of Independent Workers; date, place not given--recorded]

[Text] [Begin recording] [Solorzano] First, the General Confederation of Independent Workers, [CGTI] is aware that this measure is an emergency measure called for by the country's present economic situation. Regarding this, we realize that the workers earning less than 1,600 cordobas are not affected by it. Naturally, the workers earning more than 2,000 cordobas should contribute to alleviating the country's economic situation. We are fully aware that this is necessary so we can pull out of this situation.

[Question] How does this government decree help the working class? There are certain sectors which are confused about the reason for the 13th month bonus.

[Answer] The 13th month bonus is the result of a long struggle by the workers led by the CGTI and other centrals. We now have the Sandinist Workers Central which, I am sure, will make its contribution to the just struggle of the workers in the future. Regarding the benefits the workers will receive from this decree, the contributions from the 13th month bonus will not be kept locked in a vault. These funds will be used to open new jobs in order to fight the high unemployment rate in Nicaragua. We will be fighting unemployment to the extent that the government will have enough funds to open new jobs and social rehabilitation centers. The government wants this economic sacrifice from us in order to solve this problem.

COP Supports Decree

PA021432 Managua Radio Sandino in Spanish 1800 GMT 1 Dec 79 PA

[Text] The Peoples Organization Committee [COP], the organization that guides the Sandinist Defense Committees, [CDS], this morning issued a communique expressing its strong and most determined support for the national reconstruction government junta's decree on the 13th month bonus. Aware of the benefits that would be derived for most of our people from this measure, COP has stated the following:

We wish to express our militant solidarity with the decree released in connection with the 13th month bonus, a measure adopted by our national reconstruction government junta and our Sandinist National Liberation Front, [FSLN] National Directorate. We feel that this measure is completely just, popular and revolutionary because it benefits the majority of our people, the unemployed. In our country 40 percent of the people are unemployed. There are also workers who earn less than 1,500 cordobas, and peasants.

The ones affected by this measure are the members of a privileged minority who have steady jobs and earn over 1,500 cordobas. They are not really being affected because money is not being taken from them. In addition to their salaries they are being given a bonus of 1,500 cordobas for which they have not worked. We believe that in an underdeveloped country like ours, which is currently experiencing a serious economic crisis, our revolutionary government cannot absorb t[illegible]ost involved in paying a 13th month bonus of over 1,500 cordobas.

We appeal to the conscience of those privileged individuals who earn more than 1,500 cordobas and who in addition will receive a 13 month bonus of 1,500 cordobas for which they have not worked, to realize that this 13 month bonus is coming from the pockets of our people and represents state funds. They must also realize the justness of this decree. Those who shed so much blood so we could all enjoy today the freedoms provided by this revolution and who gave their best children in the struggle against the dictatorship deserve a positive response from the rest of the Nicaraguans who remained expectant while this blood was being shed against the dictatorship. Now the people need their humanistic support which can be shown by giving up a miserable 13 month bonus. Money cannot buy either the freedom or the dignity of an individual; all that has been left behind and belongs to the dark past under the Somozist dictatorship.

We ask all Nicaraguans in the CDS to support this pronouncement and to voice their solidarity with the government junta's decree by being the first ones to show their high revolutionary spirit and their honesty by agreeing to donate their 13th month bonus in excess of 1,500 cordobas to the common fund that will enable us to begin putting an end to unemployment in Nicaragua.

Sandinists Explain Reasons for Decree

PA020220 Panama City ACAN in Spanish 0002 GMT 2 Dec 79 PA

[Text] Managua, 1 Dec (ACAN-EFE)--In view of the protests elicited by the reduction of the Christmas salary (13th month bonus), Sandinist authorities explained today that they had adopted this measure for humanitarian, economic and "revolutionary awareness" reasons. The reduction affects those who earn more than $150 per month. They will have to donate the difference between that sum and their salary to the state.

According to Interior Minister Tomas Borge, if the $18 million "controlled" by the decree had been put into circulation this month it would have led to an extraordinary consumption of goods that are scarce in the country, thus unleashing inflation and speculation. In the long run it would have harmed the workers, Borge explained. I accuse those who oppose the decree of suffering "from almost repulsive selfishness and miserliness." "How can we refuse to give up a miserable 13th month bonus when we have brothers who have given up their lives, their eyes, their hands, their feet or their blood for our freedom and independence, without expecting anything in return?" Borges asked indignantly.

Deputy Interior Minister Eden Pastora appealed to the Nicaraguan people's conscience and said the money from the Christmas salary reduction will be used to create work for 20,000 people. Pastora warned that "the revolution will adopt other similar measures, or even more radical ones if they are seen as benefiting the majority of the Nicaraguan people."

Government junta member Daniel Ortega asked workers "not to let themselves be deceived by new leaders who, protected by the Sandinist mantle, publicly advocate counterrevolutionary stands."

SOMOZIST REFUGEES LEAVE SPANISH EMBASSY FOR MADRID

PA030100 Panama City ACAN in Spanish 2216 GMT 2 Dec 79 PA

[Text] Managua, 2 Dec (ACAN-EFE)--A total of 24 Somozist refugees who were in the Spanish Embassy here left today by air for Madrid. The refugees, who have been in the embassy since 19 July, left for Madrid via Santo Domingo, Dominican Republic, on an Iberia plane. Spanish Ambassador Pedro Manuel de Aristegui Petit and Foreign Minister Vicente Vasquez went to Cesar Augusto Sandino Airport to accompany the refugees, who requested Spanish diplomatic protection following the triumph of the Sandinist National Liberation Front (FSLN).

The Spanish Government is not a signatory of the international convention on asylum, but the Nicaraguan Government allowed individuals linked to the previous regime to take refuge in the Spanish Embassy. A commander of the Sandinist revolution said the safe-conducts were granted "in homage to Spain and in personal homage to the ambassador." Among the 24 refugees are former Foreign Minister Harry Bodan Shields, former Public Works Minister Cristobal Rugama, and Francisco Jose Manzano, a colonel in the former National Guard and assistant director of the former military academy.

OFFICES TO BE OPENED TO RECEIVE EVIDENCE AGAINST SOMOZISTS

PA010006 Managua Radio Sandino in Spanish 1800 GMT 30 Nov 79 PA

[Statements by Alejandro Romero Monterrey, official in charge of information and the press of the special prosecutor's office--recorded]

[Excerpts] During the next few days eight offices will be opened to receive all necessary or available evidence from the Nicaraguan people regarding the Somozists who are in prison and those who have escaped or have hoped to escape Nicaraguan revolutionary justice. Four special offices will be opened in Managua, each manned by two companeros, and four others will operate in the various departments.

In the departments a more extensive area will be covered. In the northern sector the office will be located in Esteli Department in the House of Heroes and Martyrs in the city of Esteli. It will cover the following departments: Esteli, Nueva Segovia, and Madrid. The western sector will have its office in the city of Leon, in the White Houses, Fatima neighborhood. In the southern sector the office will be in Rivas Department, house No 919 on the main street of Rivas. It will cover the departments of Rio San Juan, Granada and Rivas. The office of the central sector will be located in Matagalpa Department at the headquarters of the 19 July Sandinist Youth. It will cover the departments of Matagalpa, Jinotega, Boaco and Chontales. These will be the four offices for the reception of evidence at the departmental level.

[Question] We would like you to tell us what role the prosecutor's office will play in the special tribunals.

[Answer] Primarily it will accuse the Somozist criminals. The prosecutor's office is simply the representative of the government of the republic, or our vanguard the Sandinist front and of the Nicaraguan people in general, who want justice to be done because of all the crimes that were committed against the Nicaraguan people and who want the more than 7,000 prisoners in the Nicaraguan jails, as well as those who have tried to escape justice, to be tried.

[Question] We have learned that persons in charge of the prosecutors offices have already been appointed. Will you tell us who they are.

[Answer] Companera Nora Astorga is in charge of the prosecutors offices. There are also five prosecutors who will be specifically in charge of presenting the charges and procuring all necessary evidence to insure that these criminals are convicted.

BRIEFS

U.S. MEDICAL AID--The first shipment of serum and medical supplies donated by the U.S. Agency for International Development [AID] arrived in Nicaragua last weekend. This is the first of 9 deliveries totalling 375,390 pounds valued at over $210,000. AID used Central American sources to insure prompt delivery and because the products are already familiar in Nicaragua. [Managua BARRICADA in Spanish 23 Nov 79 p 8 PA]

CUBA REPORTEDLY SEEKING SOLUTION TO IRANIAN CRISIS

PA012159 Paris AFP in Spanish 2122 GMT 1 Dec 79 PA

[Text] Havana, 1 Dec (AFP)--It was learned here today from diplomatic sources that Cuba is presently intervening behind the scenes to seek a solution to the crisis of the U.S. hostages in Tehran. According to the same sources, despite the official silence noted since the beginning of the Iranian-U.S. crisis, Cuban authorities have apparently been playing an active role.

The Cuban press has not yet published any official editorials or commentaries on this crisis, the development of which is being covered from the informative viewpoint by news agencies. This discretion is due to Cuba's delicate position with respect to the two adversaries.

Observers say Cuban officials could hardly come out in favor of the United States to the detriment of Iran after 20 years of a U.S. economic blockade against Cuba. Cuba is a member of the movement of nonalined countries, which Havana will head for the next 3 years following the last nonalined summit meeting held here in September. However, the silence does not imply indifference, and certain comments made privately by high-ranking officials and cadres of the Cuban Communist Party clearly indicate that Cuba does not approve of the holding of hostages in Tehran.

The fact that Cuba heads a movement comprised of 95 countries explains Havana's active prudence in a problem in which the taking of an official position would appear to represent the viewpoint of all nonalined countries.

In this issue, the Cuban Government does not want to appear as the savior of the United States by officially condemning the taking of hostages, and consequently condemning Iran. Havana, like the Ayatollah Khomeyni, has never failed to denounce the repressive policies of the former shah of Iran.

The behind-the-scenes action elected by the Cuban authorities thus seems to be in keeping with Fidel Castro's desire to play an effective role in the crisis in accordance with the image of a responsible Third World spokesman he is seeking to create for himself in the wake of the nonalined summit. This has been confirmed by Cuba's initiative on Friday to convoke the Group of 77 in Havana within 15 days to discuss Fidel Castro's proposal to create a $300,000 million fund to help poor countries.

This state of affairs has been well-interpreted by Canada, whose prime minister, Joe Clark, revealed yesterday that his government has established informal contacts with Havana to ask Cuba to intervene to help resolve the crisis.

FIDEL CASTRO SPEAKS AT OPENING OF SANTA CLARA TEXTILE PLANT

Description of Event

FL022253 [Editorial Report FL] Havana Domestic Television Service in Spanish at 2148 GMT on 2 December begins live color coverage of the ceremony inaugurating the Santa Clara textile plant. Television announcer Manolo Ortega sets the scene of the ceremony while the cameras pan the audience at the textile mill. At 2158 GMT Cuban President Fidel Castro and the rest of the presiding delegation are seen taken their places on the dais with the crowds chanting Fidel, Fidel and giving a standing ovation.

At 2200 GMT the national anthem is played. At 2201 GMT Manolo Ortega goes to the podium to announce that the Santa Clara textile mill has been completed as pledged by the workers. He goes on to say that Fidel Castro is presiding over the ceremony, along with other PCC Politburo, Secretariat and Central Committee members; state and party officials; workers who helped build the textile mill; a visiting Ethiopian delegation; and a top-level Japanese and Belgian delegation, which helped build the project. At 2204 GMT a foreign contractor addresses the crowd, recounting the efforts made in completing the project 1 year ahead of time. He ends his remarks at 2214 GMT. He is then embraced by Fidel.

The following Politburo members are seen on the dais: Raul Castro, Juan Almeida, Ramiro Valdes, Blas Roca, Osvaldo Dorticos, Armando Hart, Jose Ramon Machado Ventura and Arnaldo Milian.

Then the head of the construction brigade presents Fidel with a photo album on the construction of the textile mill. At 2215 GMT a construction worker is introduced, who speaks on behalf of the construction workers. He also recounts the efforts made by construction workers in completing the project 1 year head of schedule. He further states that the workers at the textile mill will fulfill the production plans for the textile mill. He ends his remarks at 2224 GMT. He too is embraced by Fidel.

At 2225 GMT Manolo Ortega introduces Fidel Castro to make the closing remarks at this ceremony. Fidel is given a standing ovation and begins speaking at 2226 GMT.

Castro Speech

FL022339 Havana Domestic Service in Spanish 2226 GMT 2 Dec 79 FL

[Speech by Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, in Santa Clara, Villa Clara Province at the Santa Clara textile complex--live]

[Text] Dear comrade construction workers, workers of the textile complex, residents of Villa Clara: [shouts in the crowd that they cannot hear] Can you hear me now? [shouts responding affirmatively] It looks as if they need a telephone connection way out there. It is very far from here.

When on 4 April 1978 we visited the construction site of this project, we brought a plan with us. We knew that practically all the equipment and materials for building this complex were already in Cuba. We asked ourselves: Why not step up the completion of that factory? Many times projects are delayed or stopped because supplies do not arrive or the equipment does not arrive. This was a completely different case. All the equipment--much of it was outdoors getting wet--had arrived and was here. We came here to propose to the workers the idea of completing the project 1 year ahead of time. We did not want to do that bureaucratically. We thought it would be best to come to the construction site, observe the conditions--how many workers were in the brigade, how many more were needed, how much equipment it had, what equipment they needed, what could be supplied--and coordinate with the party, youth, union and with the brigade leaders the measures to be adopted to achieve this objective.

We also knew that we were in Santa Clara or Villa Clara --Santa Clara is the name of the city, Villa Clara is the province. But we knew about Villa Clara and Santa Clara, about the spirit of this province's construction workers, [applause] about the spirit of this province's people, [applause] about their interest in this project. We knew that we could count on the human factors needed to wage and win the battle.

It was not an easy task. We were close to spring in a year that looked like a rainy one and which finally was. It was very rainy. It was necessary to dig several kilometers of excavations to install various conduits, above all air shafts needed by the factory. Spring was approaching. What could we do with the equipment, which could deteriorate outdoors? Measures were needed to protect it in any way possible--to find warehouses to improvise warehouses.

What could be done at the construction site in order to work in the rain? There was a simple thing that could be done--simply step up the construction of the roofs. In that manner they could work protected from the rains. Another thing was to step up the drainage system to avoid flooding. There was a need for a construction strategy, some sort of plan to fulfill the proposed goal.

All the building equipment needed was sent to the site, especially excavating equipment. The province supplied the additional work force. By the end of the first year, the battle had been won. When we returned here on 3 April of this year, everybody knew that the project would be completed before the year's end. [applause] It can be said that the project was completed in 18 months. Something that had been scheduled for at least 30 months was done in 18 months. [applause] That is the proletarian spirit of our workers. [applause] That is the communist spirit of many of our workers. [applause] It has been demonstrated here that when there is good supervision, good organization and the supplies are at the site, anything can be done in construction work. [applause]

The people responded as they always respond. Thousands, tens of thousands, of Villa Clara residents responded. As has been explained here, after completing their workday at other centers, they came to this site to contribute their efforts. It can be said that all the people of Santa Clara participated in the effort. This project is the result of the sweat, effort and enthusiasm of all the citizens in this city. [applause] It is their construction project. It is necessary to note that our construction workers did admirable work. Despite the fact that they have a 10-hour workday, they contributed more than half a million volunteer hours. [applause] The people of Santa Clara, including the students, contributed more than 700,000 hours of volunteer work. [applause] That means there were more than 1.2 million hours of volunteer work contributed to this project. This is equivalent to the work of 1,000 men during--if I am not mistaken--[laughter in the crowd] 150 days. [applause] That is the work of 1,000 men during 150 days. That is the people's voluntary contribution to that project, our people and our workers. [applause] That is a magnificent, unsurpassable example of what our people are capable of doing, of what our workers are capable of doing. What pride, what happiness would this have been for Che, news such as this. [applause]

Now we have in this city the largest textile center in Cuba. We can even say that there are not many textile centers of this size anywhere in the world. [applause] We are building one in Santiago de Cuba which will be bigger. We are expanding the one at Ariguanabo to achieve a production of approximately 60 million [no explanation given]. Here we have the potential of 60 million square meters per year. [applause] In addition, this is a very modern factory. The most modern equipment in the world, the most modern technology in the textile industry has been installed in this plant [applause] where the best kind of cloth can be produced for all uses, such as cloth for men's suits.. This is the only place in our country where it can be produced.

Cloth of the best quality can be produced here, be it with cotton or synthetic fibers. That is our job now. The textile mill workers now have to make the effort. [applause] They have to pick up the flag now and make this factory produce with the same proletarian spirit with which it was built by our construction workers. [applause]

When one tours those enormous shops, one can appreciate the complexity of the factory, such as the quantity of automatic and semiautomatic equipment, mechanical equipment, electric equipment. All that equipment is very sophisticated, very delicate to operate. There is great need for giving it careful treatment. Maintenance is very important in this plant.

Moreover, the care given to one type of equipment also protects other equipment. Nothing can stop. It was stimulating to see the display of spare parts manufactured in our country for this plant. We also saw equipment that has been rebuilt, including electric equipment. We have to reduce to a minimum the number of import parts. We have to achieve a coordination between the various mechanical industries to produce the majority of the spare parts needed by this complex.

I can recall that during the first years of our revolution our workers had to make do to keep the textile industry going despite the blockade, because the majority of the equipment had been built in North America, and we could not buy parts. Sometimes our workers manufactured the parts in small machine shops. We now have a big shop in this plant. We also have achieved a certain degree of development in our mechanical industry, as has been demonstrated here. There were parts manufactured by the national industries for domestic products and utensils, by livestock-agricultural machine shops and other shops of the mechanical industry. Our mechanical industry is developing very nicely.

The need for this forces us to make great efforts. That is why the maintenance aspect and availability of parts is of great importance. Parallel to the construction program, a training program for the factory personnel was conducted with the cooperation of the textile industry. Thousands of Villa Clara residents underwent training for months and or even longer. There are dozens of university-level technicians and hundreds of intermediate-level technicians assigned to this plant. The average age of the personnel is 24 years. Those personnel have the responsibility of continuing to train and acquire experience and ability. They also have the responsibility of making this factory a real model, [applause] a model of productivity and quality, that is very important. I am going to explain to you why the quality has to be a model. [applause]

It is not a matter that it is a duty for all workers to produce well. It is a matter that this factory cost a lot. It was a big investment. A very large part of this factory's production has to be exported. We cannot think or believe--it would be deceiving--that all the cloth produced by this factory will be for our consumption. In part this factory will help our textile needs, this one and the others undergoing expansion. This factory must produce for export. We have to export. This factory needs 13 million pesos of fibers imported from capitalist areas. It also needs some 5 million pesos more of other imported chemical products, such as colors and other chemical products which come from capitalist areas. It can be estimated that some 18 million pesos will have to be imported annually when we reach 60 million production. That will be the amount if the prices do not rise. If the prices rise and the manufactured products increase in price, then one will be compensated by the other.

This factory cost some 100 million pesos in foreign currency. That is foreign currency. We have to pay for this factory. In order to purchase just the raw material needed from abroad annually, the factory has to produce whatever the cost might be. I believe that at least 50 percent of the production, or more if possible, should be devoted to export. At a certain time we said that if it was necessary 100 percent of the production would be devoted to export. [applause] If it becomes necessary, 100 percent of the production will be exported. [applause] It might not be necessary. When we say 100 percent, it is because we need to continue building new factories of this type and every other type.

In order to build factories we need money. We need foreign currency. To create work centers, we need factories, and the factories cost money. The equipment costs money. The technical assistance costs money. The raw material costs money.

The country cannot go on manufacturing and consuming all the production. That cannot be done, even if we have a need for it. We must maintain low consumption due to the conditions of today's world economic affairs. The situation is very serious. Thus, it is difficult to answer the question of how the underdeveloped world is going to develop with this international economic crisis, with the high cost of energy. The official price of a ton of petroleum has already reached 200 dollars. There are some places where it is selling at 300 dollars. All development implies the consumption of energy. This plant needs 30,000 kws. That is what Cienfuegos produced at the beginning of the revolution. It has become necessary to install two generators of 169,000 kw. That is why Cienfuegos' energy needs must have already reached 400,000 kw.

Humberto must be around somewhere, and he knows. [A voice in the crowd yells something] I made a mistake. Capitalism did not have 30,000 kw. It only had 10,000 kw. I believe that this factory's equipment needs the output of three plants like the one in Cienfuegos in the days of capitalism. Electric energy is needed to operate all those looms. Petroleum is needed to have all those boilers operating. They need 79 tons of petroleum daily. That amounts to from 25,000 to 30,000 tons annually. All development requires energy consumption.

And under the circumstances in the present world situation, which are serious, very serious--where the capitalist industrially developed world is in crisis and the underdeveloped world is apparently in an alley without exits--this is maybe the most serious problem for mankind at this time, precisely, the response to this situation. This implies that work in all of our countries, and especially our own, has to make a tremendous qualitative leap, keeping in mind the economic details and the economic aspects in their minutest details.

Nor is it easy to export cloth; it is not easy. This requires a dynamic effort by our foreign trade organization. But it also requires quality, special quality. Quality is necessary to compete in that market. If the cloth produced at this plant is not of the highest quality, we will not have markets for this cloth. That is, if we want to be exporters, it has to be based on quality. And are not our workers and laborers capable of this? [applause] We will closely follow current problems at this plant as well as at all plants and workplaces, those subjective problems we have--problems of organization, labor discipline, administrative effeciency and administrative authority. Our plants do not operate without discipline; they do not operate. [applause] We have to watch the operators to see how attentive they are in operating the machinery.

Over there at the gumming machine [engomadora], if they have to pass the thread through at 40 meters per minute, it cannot be done at 45 [meters per minute] because the thread will be damp or hot and then it affects the looms. It cannot be done at 35 [meters per minute] because then there will not be enough thread for the looms, and this affects production. And a minute of carelessness there results in hours lost afterwards at the looms. And it affects quality. And they have to operate at the set, precise and exact speed and watch everything. For if a thread breaks a machine is stopped or the speed is reduced immediately for the man to fix it there. At other places we saw how the threads were automatically combined. Do you recall, the threads were joined together automatically. There is no doubt that a lot of automatic machinery was doing the work in a disciplined manner, [laughter] in a disciplined manner. But the man who is at that machine or at any other machine influences the process.

Carelessness is not permissible at a plant such as this one. There is no discipline without authority. There is no discipline without authority. We have to see all the factors affecting labor discipline. And we have to overcome them, and we will overcome them with the proletarian spirit, with the support of the workers and the necessary legislative measures. This interest is not the interest of the capitalist. That there be discipline at the work place is in the interest of the workers. And the legislation should be to protect the good worker and not as a protection for the lumpen [proletarians], the undesirables [applause] and those who do not fulfill their assignments.[applause] All of this labor legislation has to be reviewed because it is essential for the country that there be mechanisms which help. Discipline is not dependent on various mechanisms; rather the mechanisms and discipline basically depend on the attitude of man, but there is a need for the mechanisms to help.

Many times workers feel demoralized at a work place. So-and-so did something outrageous and 24 hours later he is back. He complained to I do not know what tribunal, I do not know where, and once again he is there. [applause] He demoralizes the party, the trade union, the administration and everyone. And of course the good worker never has problems. The worker who fulfills his assignment does not have problems. And we see these facts. And we have to adapt our reality to the experiences of the other socialist countries. This is indispensable.

Just imagine the railroads if there were no discipline in the railroad industry. If one tolerates a lack of discipline in the railroad industry or the transport industry, at a sugar mill or at any other place, logically, it has to come here. It is not stopped. And then accidents occur, loss of life and loss of equipment. This is the result of lack of discipline.

And you recall that our people were not very disciplined. We did not have many of these habits of discipline. And those that did exist were logically those imposed by capitalists through unemployment, hunger, with a half-a-million-man army of unemployed. They always had a labor reserve. They never had a vacant workpost. There was always someone, an apprentice of something, trying to get a little job. We had the discipline of capitalism's merciless methods and situations. Of course I am not going to say that the country has not gained a lot in organization and discipline. But it is not enough, not even close.

It will be necessary to adopt measures to achieve maximum discipline. We cannot remain behind other countries in this aspect. It will be necessary to establish the functions to be carried out by everyone. They will have to be very precise--that for the administrator, the trade union and the party. It is indispensable to strengthen the authority of those who manage a plant. Without it there will not be discipline. I believe that at this plant and at all plants one has to get to the bottom, through study, of these problems, which of course are not the only ones, but are import problems.

Here we have a collective of 4,567 workers. To this we have to add those who will be substituting for those on vacation; they are not included in this figure. Therefore, between one thing and another, there could be around 5,000 work positions, 5,000 jobs for the province [of Villa Clara], basically for the city of Santa Clara. [applause] And maybe there are possibilities for even greater employment at this very plant. They are studying and examining the possibility of four shifts, so that the plant will not be closed on Sundays. The idea is being studied. This plant...[changes thought] that is, if there is one more shift [applause] and this is what is being studied. I believe that there are a certain number of days in the year which are lost to production. It is figured that these plants could still produce an additional 12 million meters [of cloth] if the number of days per year that a plant is operating is increased.

This was explained to me at the Ariguanabo [plant] where I believe the plant works for 297 days per year. Can someone help me on this? [indistinct responses from the dais then unidentified voice] 333 [Fidel continues] How long do they work? [unidentified voice again] 333 days. [Fidel continues] How?--With one more shift? [unidentified voice] With one more brigade. [Fidel continues] With one more brigade. But how many [days] do they have at the moment, with three [shifts]? [unidentified voice] Now they work 280 days. [Fidel continues] 280 days. And the production at the plant can be increased, that is, to have the plant operate 230, because we have the luxury of having these machines not operating for 80 days, 85 days in the year. [figures as heard] Why? Why have the plant not operating for 85 days if it can be reduced to 20, of it can be reduced to 30 [days] which are needed for certain maintenance and certain things. Therefore this plant can produce more than 60 million [meters of cloth]. In some of these formulas production can be increased and provide more employment at this plant.

Now the transport problem has to be studied. They are searching for solutions. Since there are three shifts there is always some movement in which logically, the greatest movement is during the daytime because not all activities occur during each of the three shifts. It will be necessary for the communications and transportation systems to operate adequately. The necessary measures have to be taken to assure the flow of coming on and going off duty at the plant.

I repeat that here we have to pay a lot of attention to all problems affecting production--just as we have to pay attention at all the other work places--if we want this to be a pilot center, a model center, with this new working force. It is new; the average age of the work force here at this plant is 24 years old.

Now the construction workers still have a few little jobs. [laughter] The important little jobs, because we are also developing in Santa Clara the most important machinery building industry in the country. It will be a large support base for the sugar industry. Complete tandems will be built there, and a lot of equipment for the sugar industry will be produced there. This industry of machinery building plants will keep growing, and it will be another tremendous industry, this industry which Che [Guevara] established. [applause] More and more workshops will be added. Now over 50 percent of the equipment at the new sugarcane mills we are building are being produced in Cuba, and it is figured that in the future we will produce up to 70 percent of all sugarcane mill equipment. In Sagua a boiler plant is being built. This machinery building industry is of great importance and it has to be promoted. If here we do not have all the equipment, we can go ahead with the civil construction so that when the equipment does arrive we can set it up immediately.

We have the railroad crossbeam plant capable of producing one million crossbeams per year. We need them to substitute for wood, which is continually more scarce and expensive, on our railways. And this plant will produce crossbeams and elastic ties for the central railway and for the high velocity railway. And we have thousands and thousands of additional kilometers, more than 10,000 kilometers of railways, right now I do not recall the exact figure. We have to come to the day when we do not use a single [wooden] crossbeam--cement crossbeams last a lot longer--on our railways. This plant is important to progressively improve our railways.

We also have the Soviet equipment repair plant here in the city of Santa Clara. As you know, not far from here in Sancti Spiritus [Province] at the Uruguay sugarcane mill [Jatibonico municipality] construction has already begun for a large pulp and paper factory, for which we have great need. We can now start producing paper, a raw material which today has to be imported from hard currency areas, from Bagasse. This is an important industry, and if the people of Sancti Spiritus need a little of your help, I believe that you are willing to reinforce them. [applause]

In Cienfuegos another important project will be completed next year. The three lines of cement [production], three lines of cement. Already in February the first line should enter production. You know very well our need for cement. You well know the population's need for cement for our projects and for maintenance. Unfortunately, in 1980 we will still not have the two new plants operating at full capacity while they are still being completed. Despite all this there will be a much greater availability of cement for the population than in past years. [applause]

Our terrible need for housing is known. Years ago cement plants were being built for this purpose. The plant in Cienfuegos which I have mentioned will have a capacity of 1.7 million tons per year, over two times the capacity existing in Cuba before the revolution. It is very important for the country to complete this plant and put it into production as soon as possible to have the conditions necessary to carry out a housing plan which can satisfy the distressing needs. It is estimated that there is a need of some 100,000 [units]. Less than 30,000 are being built and even less than 25,000, but 100,000 are needed. The country has been preparing to make a leap forward in building housing units by expanding the corrugated steel plant--Antillana de Acero plant in Havana--expanding the capacity to build bathroom fixtures and building new bathroom fixture plants, floor tile plants, rock and sand quarries and cement [plants].

In the final analysis there is no other solution than to build. This is the problem of housing, the tragic problem of the world today which has no other solution than work, it has no other solution than construction. Today we limit ourselves to building housing units. Certain elements have to be brought with convertible currency; this limits us. Therefore, it is so important to be setting up all of the support base for construction, the support industry, so that all of these things that we import we will be able to produce here. And there is no other solution and we know how tragic the situation is in housing.

These industries which I have mentioned are important, some of them here in this part of the city, or in the former provinces. I believe that there is still work for this brigade; there are still important tasks. The brigade should not be dismantled. They should not loose the spirit acquired on this project. This is very important. We not only have tasks here; there are some tasks in other places. I know that many Villa Clara construction workers have already fulfilled internationalist missions as combatants or as construction workers. There are bridges and various projects built in Africa by our construction workers and some by Villa Clara construction workers [applause] in Vietnam and in many other countries. Right here we have today a delegation from the fraternal Ethiopian peoples. [applause] They have over there a very modern plant in Diredawa which we visited. It is a textile plant. [passing train whistle blows in the background] That brings to mind the lack of discipline. [laughter]

Now, of course, how are the Ethiopians in cement [production], with a population of 35 million. I am not very sure. I have asked for figures. I believe that their production of cement is not over 300,000 tons and possibly it could be less. [indistinct voice in the background] Well, it is at 140,000 [tons] We with 10 million inhabitants and with these two plants completed, the new ones, will have a capacity of more than 5 million [tons] and the Ethiopians have a capacity of 140,000 tons in cement. Imagine what that means for a country of 35 million inhabitants.

Now they plan to build one new industry. They have their development plans. I say this so that you can see the situation. Among themselves they plan to build a cement plant. They have been holding talks and they have come to an agreement with the GDR which will supply a plant, I believe of a single line. Some one told me....[he is interrupted by someone on the dais] of 300,000 tons. But they have a problem of how to set it up. They spoke to us, asking if we wanted the contract for the construction.

Well, we have carried out construction projects abroad through contracts, yes we have. They pay us, some countries which have resources. And we thought, how are we going to set up a contract with the Ethiopians who are facing so many economic difficulties. We then proposed...[changes thought] We got in touch with Comrade Mengistu; no, we do not want to charge even a single cent for this. We are willing to ...[prolonged applause] We told our Ethiopian brothers...[changes thought] We have been carrying out some cooperation activities with Ethiopia. We have construction workers there building a microdam, preparing a cattle ranch, some projects. We will also be cooperating in building roads in the coffee regions. We told them that if the Ethiopians provide the equipment and the necessary unskilled personnel we would send the skilled personnel necessary to direct and construct that cement plant, possibly a few hundred skilled workers of ours and brigade management personnel figuring on some 300, 400 or 500. The rest of the personnel would be Ethiopian who could learn from our skilled workers. And we committed ourselves to setting up that cement line. And you know that a cement plant takes some work. But we have the experience.

At the beginning [of the revolution] here we did not have a single industrial construction brigade. Who, at the beginning of the revolution, could have built that plant, who? Now we have collectives which set up those plants, set up cement plants and set up anything. We have them. They built them and set them up. [laughter and applause] Yes, now we have them. We are not a rich country. If we were a rich country, if we were a petroleum country, I believe that we could help a lot. And we would do so gladly. We have limitations but we can do these types of things. They now have acquired their plant from the GDR but they have to set it up. And we can help them set up the plant, and transmit to them our experiences and our brigade organization. And in addition,this is a real fact, our internationalist workers, when they are outside Cuba, work even harder. And I believe that they work with the spirit with which this brigade worked here. It seemed as if they were working in Ethiopia, Vietnam, or some other place. And this is what we have to do here, what we do abroad. [laughter] So, there are some of these tasks.

Moreover, our construction enterprise has contracts for construction abroad, in addition to certain works which we build as a donation in certain countries which are...which have very great economic difficulties. They are very poor.

Therefore, there is work to be done. There is work--work for the constructors, for teachers, for technicians, for everyone.

We have the recent case of Nicaragua, where we have sent 140 doctors. We are prepared to send more. The doctors were asked to cooperate and they responded very favorably. The various provinces have sent brigades and there are some brigades waiting for assignments to leave.

We are sending 1,200 teachers who will be assigned throughout the country. There are already 1,000 in Nicaragua. But perhaps, as a symbol of the internationalist spirit and the revolutionary conscience of our people, I should mention the fact that when teachers were asked to go to Nicaragua, 29,500 volunteered. [applause] They were willing to leave their country, their families, to be sent any place in rural Nicaragua. And the reason there were not more was that certain requirements were established. They had to have a certain number of years of experience. If not, there would have been more than 29,500.

This reminds us of the fact that when the internationalist missions were carried out in Angola and Ethiopia, hundreds of thousands, hundreds of thousands just as I say, of Cubans volunteered, expressed their willingness to carry out those internationalist missions. [applause]

These are our people. That is the expression of our people and of the spirit of our revolution. The things which we are doing there. The spirit with which you, the people of Santa Clara, worked here. The internationalist spirit of our people. It is the reflection of their revolutionary spirit, of their Marxist-Leninist spirit, of their communist spirit. What is not of our people is the petty bourgeois spirit, because although the bourgeoisie has disappeared, a certain spirit of the past remains, and the petty bourgeois spirit remains at certain levels. However, our people are characterized by the proletarian spirit, the proletarian spirit, [applause] the spirit demonstrated in this project, among the constructors, the internationalist fighters, the internationalist teachers, the spirit of our workers who make the harvest possible, in the sugar mills and in the cutting of cane, the spirit of our laborers who maintain production in the country.

We have difficulties. We have deficiencies. We have weaknesses. But we will overcome them. [applause] And we will overcome them with the proletarian spirit. [applause] The imperialists indulge in wishful thinking when there are one or two persons willing to play their game, even now. They get their hopes up when they see that some people want to leave the country. When have we ever stopped them? This is a completely voluntary association. The revolution is a voluntary task, and to be a revolutionary is a voluntary task. When?

They get their hopes up when they note a certain petty bourgeois spirit and certain petty bourgeois weaknesses. But they are mistaken. These are our people, the proletarian people. [applause] The people of the internationalists, the people of the internationalists. [applause]

These are our people, and our people have the virtues to face up to their difficulties and the virtues to face up to their defects and impose their proletarian spirit on the party, on the state, on the mass organizations. And they have the proletarian honesty and proletarian austerity. [applause] We are not going to go into details, but our party works, our party thinks, our party analyzes what must be done, what should be done and it intends to be inflexible, even against its own defects, the defects of the party, [applause] against its own deficiencies and against all factors which are not right, which are not proper, in order to wage the battle.

All these are subjective elements because there are objective and subjective elements. Of course, even if we were to achieve perfection we would continue to have difficulties. We must not fool ourselves. We should not fool ourselves with the idea that the difficulties are all subjective. Poverty is poverty and underdevelopment is underdevelopment. But our most sacred duty is to see that all that depends on man is done as it should be done, with the bravery [applause], with the clean, pure moral spirit of our people. Our people are a clean-living, a pure people. Our party is a clean-living party, a pure party. No, they are not a people of opportunists or of intrigants because intrigue and opportunism are not part of the proletarian spirit. Nor are envy or intrigue, or negligence, or irresponsibility. That is not proletarian. And when a worker is guilty of this it is simply because he does not share the spirit of his class. And they will struggle without haste, but indefatigably, against all the negative subjective factors which hinder, detain or block the revolution.

Much has been done in recent times to improve the organization--for institutionalization, for legality, for progress. But we must be constantly on the alert as to the manner in which we apply this institutionalization, this legality, the measures which we have been adopting precisely to achieve more efficiency in our economy by guidance and planning, those instruments which help us to achieve efficiency and the demands of that name which we have to defend. [as heard] No single mechanism can solve the problem. It must be solved by man. And our people must be capable of waging this battle.

It is not a battle of 1 day or 1 month or 1 year. I would say it is the battle of an entire historic era. For how long? Well, it is not possible to predict this, but we are here close to the most powerful empire, to its corruptive influence, to its attempts to dazzle the world with that wealth which is being wasted. It is not known how much longer this waste can continue. Formerly they had automobiles which reached from here to there. But now they have to look for tiny automobiles that they can barely fit into because it is not possible to continue to waste the natural resources and oil and wealth obtained through the poverty and the unhappiness of the underdeveloped world. We are close. The struggle is long, a struggle of fathers and children, of grandchildren and perhaps even of great-grandchildren. But we are magnificent and formidable people. I have already mentioned some of the characteristics of these men, these thousands of men, tens of thousands, hundreds of thousands, who are capable of the greatest sacrifices, of the greatest heroism, capable of overcoming any difficulty, and with this spirit we will solve our difficulties. [applause]

I do not wish to close without recognizing the cooperation involved in the effort to build this factory. I am sure that in worldwide terms it had a record time of construction, like the wheat windmill, which was also completed 1 year ahead of time. An Italian technician there told me that in other places, with European contractors, it would take 3 or more years to complete a windmill like that one, which was built here in practically 20 months. Practically.

I am sure that in any other place a factory like this would take a long time to build. They have witnessed the effort made here, and Japanese, Belgian and Spanish technicians also cooperated. We have had the opportunity to talk with some of them on my visit here and to thank them for their cooperation. [applause]

There remains the pleasant task of finding a name for this factory. Perhaps we can find one today. Some people suggested that we not vote yet--that we wait. Others suggested--say nothing--"Martyrs of Villa Clara." Others said "Villa Clara textile mill" [shouts]. Others proposed that we consider the victory on this date, the fact that today is the 23d anniversary of the Granma landing [shouts, applause], that the factory could be called "2 December" "Wednesday anniversary" or "Granma Landing." [shouts] applause] I do not know which you prefer. [shouts]

"2 December?" [shouts of "no"] Let those who agree with "2 December" raise their hands. Good. And let those who want "Granma Landing" raise their hands. [shouts, applause]

It has been approved almost unanimously. In any case, I confess (?gerardo), Raul, Ramiro [applause], Almeida, to name a few [applause], who had the privilege of traveling in that boat, of landing in that swamp, of facing those vicissitudes of the first hours, the first days, the first weeks, dreaming of the future, dreaming of the revolution, dreaming of what was to come, of this revolution of which we continue to dream as on the first day and for which we are prepared to sacrifice the last drop of our energy and our blood [continuing applause] as on the first day. [applause] This revolution of Camilo and Che, of Frank Pais and so many heroes, this revolution which we love more than life, and 20 years later more than on the first day, for us [applause] to commemorate a day like today, a date like that one which we remember as if we had just lived through it, with a ceremony like this one, with an example like this one which you set here, constructors of Villa Clara [applause], people of Villa Clara [applause] is a great stimulus and a justifiable reason for pride. For this reason we not only congratulate you, but also express our most profound gratitude. Fatherland or death! [shouts of "venceremos"] [applause]

BAHAMAS

EXTERNAL AFFAIRS MINISTER DENIES SAYING SHAH UNWELCOME

WA020012 London REUTER in English 2240 GMT 1 Dec 79 WA

[Text] Nassau, Bahamas, Dec 1, REUTER--External Affairs Minister Paul Adderley today denied reports that the Bahamas Government had told the former shah of Iran that he was unwelcome here.

Mr Adderley said that the question "has not arisen," indicating that the shah has not applied to the government for entry into the Bahamas.

The Bahamas has been mentioned as one of the possible destinations for the deposed monarch when he leaves the United States where he is now receiving treatment for cancer.

The shah lived here for three months before he went to exile in Mexico, which now says it does not want him back.

JAMAICA

PRIME MINISTER MANLEY CALLS SEAGA 'LIAR, TRAITOR'

FL301555 Kingston DAILY GLEANER in English 27 Nov 79 pp 1, 13 FL

[GLEANER Western Bureau]

[Text] Prime Minister Michael Manley yesterday called opposition leader Edward Seaga, "a traitor and a liar".

"Mr. Seaga in his desperate bid for power spreads propaganda abroad about Jamaica," Mr. Manley said.

He said that Mr. Seaga had during a visit to Washington D.C., USA, made allegations and accusations which could have adverse effects on Jamaica and the welfare of the people.

"All leaders in any country had two obligations, that of being truthful and patriotic. Any leader who deliberately told lies was not worthy of his position," the prime minister said.

According to Mr. Manley, it was quite natural for one to make mistakes, but whenever it happened it had to be corrected immediately. Also, any leader who would go to a foreign country and tell lies so as to gain power, "as Mr. Seaga had done", should be considered a traitor.

The prime minister made his comments at the official opening of the PNP [People's National Party] western office on St. James Street, Montego Bay.

He described as total, absolute and intentional lies what he said were Mr. Seaga's allegations that members of the Jamaican Government were involved in secret operations with Cuba and the Soviet Union.

Such allegations could only have been invented by a sick mind which was so obsessed with power that it would use any means to achieve its aims, Mr. Manley said.

"Out of the sick fever of that mind, these lies were taken to the government of a country with which we not only have a good relationship but where most of our tourists come from," remarked the prime minister. He said that the opposition leader's false charges about Jamaica could affect the tourist industry to the extent where many more Jamaicans would be out of jobs, and children subsequently suffer.

Angry

Mr. Manley, who appeared angry at this point said, "I denounce Mr. Seaga as a traitor and a liar".

He further stated that in an article appearing on the front page of Saturday's issue of the DAILY NEWS telling of what the paper said were Mr. Seaga's accusations in Washington, stated in part that the US State Department had admitted that the JLP was passing informations to them. To this he told the audience that the opposition leader may have acquired a new name (Spyaga), if such reports proved truthful.

He pointed out that during the past few years the PNP had tried to instill a democratic system where the people could participate more in the plans and aims of the party.

In light of this, he said the opening of a western office was significant as it was a part of the planned development for the party. He implored everyone to be serious about the functions of the office as it had been set up to deal directly with most of the problems affecting the people. The effectiveness of such an outlet would depend solely on the attitude of the people, he said.

The PNP (yesterday) held their cabinet meeting at the Half Moon Hotel, in Montego Bay. This is the second time that a cabinet meeting has been held in Montego Bay, the first being in the St. James Parish council chamber in 1974.

JLP Answers Manley's Charges

FL301610 Kingston DAILY GLEANER in English 28 Nov 79 p 1 FL

[Text] A statement was issued yesterday by the chairman of the Jamaica Labour Party, Dr. Ronald Irvine, in reply to the prime minister's accusation of "liar and traitor" against the leader of the opposition.

Dr. Irvine said that Mr. Manley was in no position to call anyone a liar, and described the charges as "yet another instance of ranting and raving" on the part of the prime minister.

"Jamaicans will remember Mr. Manley's denial of the solemn oath he took in parliament and his previous admission to an overseas journalist that he doesn't know what to believe any more," the statement said.